

SRC

1941/5B.

BUSINESS STATISTICS - 16th MAY, 1941.

War expenditure and war activities are major influences behind record bank clearings and rail and road transport operations. Savings have been heavy. The £35m. War Loan promises to be filled. Bond and share prices have eased but general confidence stands high. State elections brought no appreciable reactions. Oversea trade results reflect wartime controls and difficulties. There are indications of a decrease in building activity. American aid to Britain is increasing.

C O N T E N T S.

PART

I

<u>Season:</u>	Rainfall index - April, 1941. Rain needed. Good maize prospects.
<u>Export Prices and External Conditions:</u>	Export prices steady. Shipping losses and American aid. Conditions in U.K. - Cabinet changes - Trade. Conditions in U.S.A. - Industrial production increasing. Price Control. Canadian budget.
<u>Currency Relationships:</u>	Sterling firm again in New York. F.R.C. to lend to U.K. on U.S. securities. Gold movements to U.S.A. moderate. U.S.A. monetary aims.
<u>Wool:</u>	Aust. appraisements to May 14, 1941. U.S.A. record clip. Consumption in U.S.A.
<u>Wheat:</u>	Futures rise in Chicago on new Agricultural policy. U.S.A. winter wheat estimate. Canadian sowings.
<u>Butter:</u>	Intra-State quota - May, 1941. Production in N.S.W. Factories, Mar. and July-Mar. 1940-41. Pay to suppliers to North Coast factories - April, 1941.
<u>Metals:</u>	Tin and silver firm in London. Aust. fixed price for copper increased.

II

<u>Bank Clearings, Sydney.</u>	April and Jan.-Apr., 1941.
<u>Stock Exchange, Sydney.</u>	April, 1941.
<u>Real Estate, N.S.W.</u>	Sales and Mortgages - Apr. & Jan.-Apr., 1941.
<u>Interest Rates:</u>	<u>Mortgages:</u> Feb.-Apr., 1941.
	<u>Bonds:</u> April-May, 1941.
<u>Savings Banks, N.S.W.</u>	Deposits and Open Accounts - April, 1941. War Savings Certificates.
<u>Oversea Trade, Australia:</u>	April and July-Apr., 1941.

III

<u>Buildings Commenced, Metrop. Water Bd. Area:</u>	Value and No. of houses. April and Jan.-Apr., 1941.
<u>Building Permits, Rural &amp; Indust'l. Towns:</u>	Value and No. of dwellings March Qr., 1941.
<u>Building Permits, N.S.W.</u>	Value & No. of Dwellings - March Qr., 1941.
<u>Railways, N.S.W.</u>	Passengers, freight & finance - Mar. & July-Mar., 1940-41.
<u>Trams and Buses: (Sydney &amp; Newcastle)</u>	Passengers and finance - Mar. & July-Mar., 1940-41.

## BUSINESS STATISTICS - 16th APRIL, 1941.

PART I. PRIMARY AND EXPORT INDUSTRIES.

SEASON. April, 1941 was an almost rainless month in inland districts and below or about average along the Coast.

1940-41	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Weighted	Av.	Ratio	(%)	of	Actual	to Normal Rainfall.
Sheep Districts	18	52	123	319	78	152	16
Wheat "	11	52	129	336	87	148	11
Dairying " (Coastal)	85	82	167	144	102	87	88

The central and parts of the south coast are in need of rain. Useful rain fell over much of the wheat belt about May 7. Much more is needed in central and southern sections, but the position is not critical.

Authorities think the area sown with wheat in 1941 is unlikely to exceed that sown last season. On present indications the maize harvest may be 4.2 million bushels compared with 2.83 m. bus. last season and an average of 3.15 m. bus. in the five seasons ended 1940.

EXPORT PRICES AND  
EXTERNAL TRADE  
CONDITIONS.

Export prices, determined mainly by contracts with the British Government, are steady at about 20 per cent. above the pre-war level. Trade with Yugoslavia and the mainland of Greece is now banned. Loss of the Greek market closes another avenue for disposal of Australian wheat. The export of more Australian commodities needed for war purposes has been made subject to license.

Shipping difficulties are increasing. Losses in March and April were at a rate of about  $5\frac{1}{2}$  million tons a year. The U.S. Atlantic patrol has been extended to cover 2,000 miles from the U.S. Atlantic coast. By the President's direction the U.S. Maritime Commission is accumulating a shipping pool of 2 m. tons of U.S. ships and foreign ships in U.S. ports to aid Britain. Large commercial transport planes are also being sent from U.S.A.

Cabinet changes and the appointment of an Engineering Advisory Committee may mean more drive in the industrial war effort. The concentration of industry under the recent Limitation of Supplies Order already has released 100,000 persons from civilian for war industries. Mr. Bevin has appealed for office workers for land improvement schemes to bring another 1 m. acres into cultivation. U.K. overseas trade returns are not published but according to official statements there was no falling-off in the first four months of 1941.

The British Government has announced that war-time controls will continue during the post-war period of transition from war to peace-time economy. The London Stock Exchange strengthened last week.

The U.S. has banned exports of defence machinery and materials to Russia. An Office of Price Administration and Civilian Supply has been set up to control prices and check inflationary tendencies. U.S. industrial production is at a record level and increasing rapidly. Coal strikes were settled but other industrial disputes are impeding war production. Greek credits in U.S.A. have been frozen. Certain financial measures taken recently are shown under International Currency Relations below.

Other developments include Canada's record budget and surrender by the Provinces to the Dominion of the income tax field; Russia's ban on the transport of war materials through its territory; greater Vichy-German co-operation, and the Indo-China-Japan trade agreement.

INTERNATIONAL  
CURRENCY  
RELATIONS.

After weakening slightly during the Greek campaign sterling has been firm during the past three weeks in the open market at New York with the rate of exchange at par with the official rate in London -  $\$4.03$  to £stg.

The transfer of foreign monetary gold to the United States has ceased and the inflow is now confined virtually to newly mined gold.

/An important.....



## PART I. (Continued.)

An important proposal affecting Anglo-American financial relationships is the request to Congress to allow the Reconstruction Finance Corporation to borrow \$468.75 m. for the purpose of loans to the British Government against British owned United States securities. The object is to prevent liquidation of these securities at distress prices. At the same time retention of British ownership in them may leave Britain with some surplus from dividends after meeting interest charges payable on the proposed loan.

The President has asked the U.S. Congress to extend for two years (until June, 1943) his power to fix the value of the dollar (i.e. its gold content) and a press message implies that the House of Representatives Coinage Committee has now endorsed the proposal. Mr. Eccles, Chairman of the Federal Reserve System has urged Americans to curtail consumption expenditure in order to release resources for the defence and aid to Britain programme and to avert inflation as an otherwise possible accompaniment of unprecedented public expenditure. The Office of Price Administration and Civilian Supply has been set up to safeguard against prices following a vicious spiral.

In the United Kingdom the fiduciary issue has been increased by £50 million to £680 million and there has been a further increase in the note circulation.

WOOL. The Chairman of the Central Wool Committee said on May 14 that the number of bales of wool appraised in Australia to date was 3,130,829 of an appraised value of £49,934,000 of which £47,575,000 had been paid to growers. Appraisements for the season 1940-41 were unlikely to be much below the number of bales appraised in 1939-40 (3,621,095). For wool appraised this season average appraised prices (per lb., greasy) compare with averages over the whole season 1939-40 as follow:-

		<u>N.S.W.</u>	<u>Vic.</u>	<u>Q'ld.</u>	<u>S. Aust.</u>	<u>W. Aust.</u>	<u>Tas.</u>	<u>Commonwealth</u>
1939-40	Ø	12.45d.	13.21d.	12.15d.	11.00d.	11.79d.	14.46d.	12.41d.
1940-41	✱	12.06d.	13.35d.	11.89d.	11.11d.	12.13d.	14.79d.	12.31d.
Ø	whole season.			✱	July 1 to May 14.			

Beside retention money growers are likely to receive an appreciable distribution at close of the season to bring the appraised average price to the agreed average price under the British purchase (13.4375d. per lb. greasy).

The wool futures top market is very firm and quotations are highest of the war period. The United States clip of 1941 (estimated at 495 m. lb. or about 1,650,000 bales) is a record. The United States consumed about 2,500,000 bales of wool in 1940, and is expected to use even more in 1941.

It is understood that about the normal quantity (about 250,000 bales a year) of Australian wool has been made available to Japan.

The British Government has refused export licenses to British manufacturers for hand knitting wool and manufacturing yarns for New Zealand, and the N.Z. Customs Dept. has agreed to transfer import licenses from U.K. to Australia.

WHEAT. The estimate of winter wheat production in the United States has been raised by 37 million bushels to 653 m. bus. Old and new wheat in U.S. on July 31, 1941 may be 1,240 m. bus. (a record) and 565 m. bus. in excess of domestic needs. Canada's first estimate of spring wheat sowings is 21.1 m. acres, compared with 28.2 m. ac. in 1940 and 26.8 m. ac. in 1939.

The British Ministry of Food has bought 120 m. bus. of Canadian wheat for delivery by May, 1942 - the biggest wheat transaction ever made.

In Chicago wheat futures have risen above \$4 a bushel. May and July futures were 101½ and 99½ cents a bus. respectively on May 14 but in Winnipeg quotations were unchanged. The explanation lies in U.S. legislation to raise farmers' incomes from agricultural crops by providing Government loans up to 85 per cent. of the market value, apparently conditional upon reduction of areas sown. It is indicated that farmers may obtain loans of 85 cents (against 64 cents last year) per bushel of wheat.

/Early.....

## PART I. (Continued.)

Early in May the local wheat market was more active than in recent months with wheat for export flour in demand, but trading is again quiet. The Australian Wheat Board's prices were unchanged. For silo wheat for flour for local consumption the price is 3s. 11½d. a bus. ex trucks, Sydney. The wholesale price of flour in Sydney is also unchanged at £12.13s. a ton (including tax).

## PRICES OF WHEAT IN NEW SOUTH WALES.

	SEASONS ENDED NOVEMBER.				APRIL		May, 16, 1941.
	Av. 1931-35.	1937	1939	1940	1940	1941	
	Shillings and pence per bushel.						
<u>Bulk Wheat.</u>							
Ex trucks, Sydney	2 9½	5 3	2 5	...	3 11(b)	3 11¼(b)	3 11¼(b)
Equiv. ex farm at country siding (a)	2 2½	4 8	1 9½	(c)	(c)	(d)	(d)

- (a) Exclusive of bounty. (b) Prices for sale for local consumption.  
(c) Farmers have received about 2s. 10d. (net) for 1939-40 bulk wheat.  
(d) Initial advance gives about 2s. 5d. (net.) at country siding.  
(c) and (d) Further advances are expected.

BUTTER. In New South Wales rain is needed in central and southern dairying districts. Production of butter is decreasing seasonally here and in other States. There is a general shortage in New South Wales, admitting of imports of butter from other States. The quota for intra-State sales of butter (which reflects conditions in Australia as a whole) is 57 per cent. for May, 1941 and lower (implying that more butter is available for export) than in four of the preceding five seasons:-

1935      1936      1937      1938      1939      1940      1941

Proportion of butter made permitted to be sold in N.S.W.

May      47%      69%      66%      72%      57%      50%      57%

The quantity of butter made in N.S.W. factories in March, 1941 (11.74 mill. lb.) was less than in any year (except 1940) since 1932. In the nine months ended March production was about 8 per cent. less this season than in 1939-40 and 20.07 m. lb. below the average in July-March of the peak production years 1931-32 to 1935-36.

## PRODUCTION OF BUTTER IN FACTORIES IN NEW SOUTH WALES.

	Av. 1932-36	1937	1938	1939	1940	1941
March mill. lb.	13.24	13.36	12.41	12.14	9.56	11.74
July-Mar. "	103.13	81.37	94.88	83.76	90.51	83.06

Farmers are being paid 12½d. per lb. of butter made for cream supplied to certain North Coast factories in April, 1941. This is slightly more than in April, 1940 because of the greater proportion of butter permitted to be sold in the local and more profitable market.

/PMY TO.....



PART I. (Continued.)

PAY TO SUPPLIERS OF CREAM TO CERTAIN NORTH COAST FACTORIES, N.S.W.

	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Deferred Pay Jan.-June. ø
	Pence per lb. of commercial butter made.						
1933-34 *	7 <sup>1</sup> / <sub>2</sub>	7	6 <sup>1</sup> / <sub>2</sub>	6 <sup>3</sup> / <sub>4</sub>	7	8	1 <sup>1</sup> / <sub>8</sub>
1936-37 *	11	10 <sup>1</sup> / <sub>4</sub>	10	10	11	11 <sup>1</sup> / <sub>2</sub>	1
1938-39	11 <sup>1</sup> / <sub>2</sub>	11 <sup>1</sup> / <sub>4</sub>	12 <sup>1</sup> / <sub>4</sub>	12 <sup>1</sup> / <sub>4</sub>	12 <sup>1</sup> / <sub>4</sub>	12 <sup>1</sup> / <sub>4</sub>	1.06
1939-40	11 <sup>3</sup> / <sub>4</sub>	12	12 <sup>1</sup> / <sub>2</sub>	12 <sup>3</sup> / <sub>4</sub>	12 <sup>3</sup> / <sub>4</sub>	12 <sup>3</sup> / <sub>4</sub>	<sup>3</sup> / <sub>4</sub>
1940-41	12 <sup>3</sup> / <sub>4</sub>	12 <sup>3</sup> / <sub>4</sub>	12 <sup>1</sup> / <sub>2</sub>	12 <sup>3</sup> / <sub>8</sub>	12 <sup>3</sup> / <sub>4</sub>	12 <sup>7</sup> / <sub>8</sub>	Not yet fixed.

- ø This payment is additional to that shown for each relevant month.  
\* Cartage charges (now paid by factories) met by farmers (about <sup>3</sup>/<sub>8</sub>d. a lb.)

**METALS.** Prices of lead, zinc and copper in London remain at the maximum prices fixed by the British Ministry of Supply. They are, per ton duty paid, delivered to buyer:- Lead £25, Spelter £25.15s. and Electrolytic Copper £62. In the open market in London both silver and tin have been very firm in recent weeks, silver at 1s. 11<sup>1</sup>/<sub>2</sub>d. an ounce and tin fluctuating slightly about £270 a ton. Trade in tin continued very strong; the International Tin Committee's statistics show a slight decrease in world visible supplies in April although supplies to the market were (Dec. 1940 excepted) the greatest for over a year.

On May 5, 1941 the price of refined copper in Australia was increased by £8 to £86.10s. a ton. This is £22.12s. 6d. a ton above the price fixed early in the war. The object is to encourage a further increase in local production in order if possible to obviate the necessity of imports. Of the new price £1.10s. a ton is to go into a pool from which is to be paid a bonus of £5 a ton to gougers, and in respect of added production by the Mt. Lyell and Mt. Morgan Companies. The companies will receive £85 (net) a ton up to, and £90 (net) a ton for copper in excess of, current output. Small producers will obtain £90 (net) a ton for all copper won by them.

## PART II FINANCE AND TRADE.

BANK CLEARINGS. Inter-bank clearings in Sydney in the first four months of this year (£348.6 million) were a little greater than in the corresponding period of 1940 and £55.4 m. greater than in Jan.-Apr., 1939. Higher prices and greater wage-earnings have a part in the increase. The high level of transactions through bank accounts has been maintained although payments for wool and advances to wheat-growers were less than those of a year ago. This implies that war activities are an increasingly important factor in the business situation.

Throughout the past sixteen months index numbers of bank clearings have been at a record level. In the three months ended April, 1941 the index number was 111 (the same as in 1940) compared with 98 in Feb.-Apr., 1939.

## INTER-BANK CLEARINGS - SYDNEY.

	<u>Amount.</u> (a)		<u>Index Number.</u> (b)
	<u>Month of</u> <u>April.</u>	<u>Four months</u> <u>Ended April.</u>	<u>Feb.-Apr.</u>
	£ million.		1926-30 = 100
1929	89.7	353.8	104
1938	75.7	301.4	102
1939	70.7	293.2	98
1940	84.3	343.6	111
1941	86.9	348.6	111

(a) Excluding Treasury bill transactions. (b) The index is adjusted to eliminate effects of bank amalgamations and special governmental transactions, but not for changes in the price level.

STOCK EXCHANGE. Adverse war news and weakness of the share market in New York brought reactions on the Sydney Stock Exchange in the second and third weeks in April, 1941. There was no sharp break in share prices and investors did not force securities on the market. Prices steadied late in the month and have shown only minor fluctuation during the past three weeks.

In April, 1941 the index number was 168.3 compared with 170.7 in March, 1941, 172.9 in April, 1940. It was still about 12 per cent. above the lowest of the war period in June, 1940. Comparisons according to classes of enterprise are as follow:-

## INDEX OF VALUE OF ORDINARY COMPANY SHARES - SYDNEY STOCK EXCHANGE.

Excluding Banks. Par value = 100.

	Shares in Companies engaged in					<u>TOTAL</u> 75 Companies.	34 Active Shares.
	Manufac- turing & Distributing	Retail Trade.	Public Utili- ties.	Pastoral and Finance.	Insur- ance.		
March, 1937 (a)	214	204	181	169	281	190	200
January, 1940 (b)	229	174	152	132	270	182	195
June, 1940 (c)	187	138	129	110	233	151	160
March, 1941	218	170	141	121	253	171	183
April, "	216	166	138	120	249	168	182

(a) Highest point. (b) Highest and (c) lowest points of the war period.

REAL ESTATE. Sales of real estate registered in April, 1941 continued about the recent higher level, and in the four months ended April were about 10 per cent. greater in value in 1941 than in 1940. Mortgage transactions have also increased a little latterly but the volume of both sales and mortgages is considerably reduced in comparison with 1938 or 1939.

/It is .....



## PART II (Continued)

It is reported that investment properties, particularly flats, factory premises and factory sites are in demand. Indications are that building control is being used to prevent erection of luxury and non-essential buildings, but not of ordinary housing and necessary industrial premises, and is unlikely, therefore, to affect real estate business greatly.

## REAL ESTATE TRANSACTIONS - NEW SOUTH WALES.

	Month of April.		Four Months ended April.	
	Sales.	Mortgages.(a)	Sales.	Mortgages.(a)
	£000	£000	£000	£000
Aver. 1925-29 (b)	(4,619)	(4,042)	(18,476)	(16,168)
1938	2,770	2,359	11,718	8,034
1939	2,245	2,025	10,755	7,682
1940	2,392	1,560	9,264	6,154
1941	2,574	1,305	10,191	5,102

(a) Includes normal renewal of mortgages in 1925-29. Renewals were rendered unnecessary in many cases by the Moratorium Act, 1930.

(b) Monthly and four months averages.

INTEREST RATES - Mortgages. Mortgage interest rates have moved only slightly in recent months, but on rural mortgages show a tendency to decline. In April, 1941 the weighted average rate of interest on rural first mortgages was 4.7 per cent. (lowest in any single month for three years) and in the three months ended April it was 4.9 per cent. after standing at 5.0 or 5.1 in three monthly moving averages since September last.

Mortgages with urban securities have averaged 5.5 per cent. in progressive three monthly periods since October, 1941. The averages for Feb.-April, 1941 were 0.6 per cent. lower on rural and 0.3 per cent. lower on urban mortgages than in the last quarter of 1939.

## AVERAGE RATES OF INTEREST ON PRIVATE FIRST MORTGAGES - N.S.W.

	Rural First Mortgages.					Urban First Mortgages.				
	1937.	1938.	1939.	1940.	1941.	1937.	1938.	1939.	1940.	1941.
	Weighted average rate of interest - per cent. per annum.									
Feb.-April	5.0	4.9	5.2	5.2	4.9	5.2	5.3	5.5	5.7	5.5
Calendar Year	5.0	5.0	5.2	5.1	-	5.3	5.4	5.6	5.6	-

Government Securities. It was disclosed on May 16 that subscriptions to the £35 million loan to close on May 19 amounted to £32 million.

Reacting to the influences affecting the Stock Exchange (see p. 5) bond prices declined. During the past five weeks average net redemption yields increased between 2s. and 3s. per cent. The market appears to have steadied but as yet bond prices have not risen appreciably.

Interest yields are still about  $\frac{1}{5}$ th per cent. lower than a year ago and about  $\frac{7}{8}$ th per cent. lower than in Sept., 1939. Recent movements are shown in the following table. The interest yields are weighted averages calculated on the earliest date of redemption and distinguish between bonds the interest on which is fully taxed and those on which taxation is limited to the 1930 level.

/COMMONWEALTH.....

## PART II (Continued)

## COMMONWEALTH GOVERNMENT LOANS WITH MATURITY OF FIVE AND UNDER TEN YEARS.

<u>1940-41</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May 14.</u>
Subject to -	Interest yield, £ per cent. per annum. ø								
Current Taxation	3.16	3.17	3.18	3.19	3.21	3.21	3.14	3.21	3.21
1930 Taxation	3.14	3.04	3.02	3.04	2.88	2.98	2.94	3.07	3.09

ø End of month except where shown.

**SAVINGS BANKS.** In April, 1941 the amount added to savings bank accounts (£245,000) and subscribed in net purchases of War Savings Certificates (about £225,000) was not as great as in other recent months. This was due to Easter withdrawals and perhaps to income tax payments. However, taking March and April together to include the holiday period the increase in savings deposits in 1941 was much greater than in any recent year:-

INCREASE (+) or DECREASE (-) IN SAVINGS DEPOSITS, MARCH AND APRIL.

	<u>1936.</u>	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
£000	(-) 277	(+) 123	(+) 513	(-) 369	(-) 111	(+) 847

In the same months net purchases of War Savings Certificates were £466,000 in 1940 and approximately £404,000 in 1941.

In the ten months ended April savings of these kinds increased, savings deposits by £4,871,000 and net purchases of Certificates by about £3,510,000 in all by about £8,381,000. Greater employment and increased wage earnings have increased the capacity, and patriotic motives the willingness of the people to save. The number of open savings accounts increased by 5,336 in April, 1941.

## SAVINGS BANKS IN NEW SOUTH WALES.

	Depositors' Balances.		Increase in Deposits.		Number of Open Savings Accounts.	
	At 31st March.	At 30th April.	In April.	In year ended April	At 31st March.	At 30th April.
	£000	£000	£000	£000	000	000
1937	79,770	79,961	191	1,047	1,200	1,201
1938	83,989	84,211	222	4,250	1,266	1,272
1939	86,269	86,222	(-) 47	2,011	1,315	1,318
1940	86,759	87,056	297	834	1,319	1,320
1941	86,737	86,982	245	(-) 74	1,322	1,328

Minus sign (-) denotes decrease.

**OVERSEA TRADE - AUSTRALIAN.** In April, 1941 merchandise imports (£stg.8.88 m.) were 27.4 per cent. less than in April, 1940 and merchandise exports (£stg.9.03 m.) decreased by 18.5 per cent.

Imports are affected by restrictions (now covering non-sterling goods of an annual value of about £A.14 m. a year on 1938-39 import values), the shipping position, war-time increases in costs of ocean transport and necessary imports for war production. In the four months ended April imports were £stg.32.4 m. this year compared with £stg.47.2 m. in 1940 and £stg.38.0 m. in 1938. Imports by months compare with values in the preceding three years as follow:-

	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>Sept.-Apr.</u>
	Merchandise imports - £stg. million.								
1937-38	9.5	9.3	10.8	9.4	9.2	9.1	9.7	8.4	75.4
1938-39	7.9	8.2	8.8	7.7	8.2	8.2	8.7	6.8	64.5
1939-40	6.8	7.3	7.4	7.7	11.5	13.9	9.6	12.2	76.4
1940-41	8.9	9.6	9.0	8.6	9.4	6.2	7.9	8.9	68.5

/To .....



## PART II (Continued)

To conserve materials and equipment for Australia's war industries a further list of items were prohibited from export except under license on May 13, 1941. The commodities include machines and machinery, metal manufactures including tools of trade and vehicles and certain metals, drugs and chemicals.

Exports of merchandise in the ten months ended April, 1941 were £stg.90.23 m. This was £stg.7.4m less than in July-Apr., 1939-40, and reflects the difficulty in effecting shipment of exportable produce.

The small surplus of exports shown for July-April, 1941 is based on actual shipments, but it does not take into account payments made for some exportable commodities irrespective of shipment. The Commonwealth Bank estimates that receipts from sales of exportable merchandise in 1940-41 will be about £A167 m. or the same as in 1939-40 and if the current rate of imports continues merchandise imports may total about £ A132 m. or about £A13 m. less than in 1939-40.

## OVERSEA TRADE - MERCHANDISE ONLY - AUSTRALIA. ø

	Month of April.			Ten Months ended April.				
	1939.	1940.	1941.x	1937.	1938.	1939.	1940.	1941.x
	Value in £sterling, million.							
Merchandise -								
Exports	6.82	11.07	9.03	99.79	95.47	82.84	97.63	90.23
Imports	6.79	12.23	8.88	75.37	93.16	82.58	94.53	90.01
Commodity Balance	.03	- 1.16	.15	24.42	2.31	.26	3.10	.22

ø Particulars of bullion and specie not available for publication.

x Preliminary, subject to revision. Minus sign (-) denotes excess of imports.

PART III INDUSTRIES.

BUILDING INDUSTRY.

BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.

Note: These figures include most Government buildings but some Defence buildings (camps, etc.) are not included. All private buildings are included.

Building activity appears to be decreasing, particularly in the city and in respect of business premises. Housebuilding remains at a high level but recent extensive flat building may be due to exceptional circumstances. Houses commenced in Jan.-Apr. numbered 2,120 in 1941, 2309 in 1940 and 2,287 in 1939.

Buildings commenced in the Water Board Area in April, 1941 were valued at £838,000 - the smallest total for April since 1936. Although inauguration of building control in Dec., 1940 caused a spurt in undertaking buildings of the kind likely to be subject to official sanction, the value of buildings commenced in the first four months of this year was not as great as in the corresponding periods of the preceding three years. Monthly totals show wide variations but a decline in building activity seems indicated:-

		<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>Total</u> <u>Sept.-Apr.</u>
1937-38	£000	1074	936	1158	1055	1168	919	974	1057	8,341
1938-39	£000	972	846	989	788	949	1053	1074	994	7,665
1939-40	£000	840	931	1044	555	1371	887	795	1187	7,610
1940-41	£000	1001	1101	1087	729	926	891	1154	838	7,727

Building is at a low ebb in the City of Sydney but has been maintained in the suburbs (due to active house and flat building). Comparisons of value of buildings commenced in city and suburban areas are as follow:-

		<u>City.</u>			<u>Suburbs.</u>		
		<u>April.</u>	<u>Jan.-Apr.</u>	<u>Sept.-Apr.</u>	<u>Apr.</u>	<u>Jan.-Apr.</u>	<u>Sept.-Apr.</u>
1937-38	£000	381	749	1,548	676	3,369	6,793
1938-39	£000	219	772	1,134	775	3,298	6,531
1939-40	£000	140	722	1,075	1,047	3,518	6,535
1940-41	£000	43	298	582	795	3,511	7,145

Partly due to the temporary impetus given by reactions to building control, houses and flats were greater in value in the eight months ended April of this year than of either 1938-39 or 1939-40. There was an increase for miscellaneous buildings also, but the amount for business premises fell sharply:-

<u>Sept.-Apr.</u>		<u>Houses.</u>	<u>Flats.</u>	<u>Business</u> <u>Premises.</u>	<u>Miscel-</u> <u>laneous.</u>	<u>Total.</u>
1937-38	£000	3,502	1,599	2,594	646	8,341
1938-39	£000	3,795	1,288	2,597	485	7,665
1939-40	£000	3,827	1,143	2,024	616	7,610
1940-41	£000	4,026	1,697	1,245	759	7,727

Particulars by classes of the value of buildings commenced in April and the four months ended April are compared below. This year's figures require qualification by taking into account the special influence operating and the higher cost of building. It would seem that erection of shops, offices, warehouses and factories as a group is definitely decreasing and the increase in other classes may be ephemeral. Every class showed a decrease in April, 1941 in comparison with April, 1940.



## PART III (Continued)

BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.  
Inclusive of most Government buildings and all private buildings.

	April.			Four Months ended April.				
	1939.	1940.	1941.	1937.	1938.	1939.	1940.	1941.
	Value in Thousands of Pounds.							
Dwelling Houses	357	490	479	1,198	1,734	1,839	1,943	1,989
Flats	135	217	202	448	809	640	719	909
Business Premises ø	438	297	130	1,126	1,416	1,250	1,234	634
Miscellaneous x	64	183	27	332	159	341	344	277
Total	994	1,187	838	3,104	4,118	4,070	4,240	3,809

ø Factories, shops, offices, warehouses, etc.

x Theatres, halls, churches, hospitals, schools, etc.

**DWELLING HOUSES.** There were 533 dwelling houses commenced in this Area in April, 1941 compared with 569 in April, 1940, 428 in April, 1939 and 532 in April, 1938. In the four months ended April, however the number was not as great this year as in any of the preceding three years. Though the number commenced was virtually the same as in 1938 the value was about 15 per cent. greater, probably mainly due to the higher cost of building.

Control under the National Security Act does not affect buildings (other than hotels) up to a value of £3,000, and it is understood that the building of flats of a moderate rental type will not be restricted. Comparative particulars of the number of houses commenced in certain periods of recent years are given below:-

## INDIVIDUAL HOUSES COMMENCED - METROPOLITAN WATER BOARD AREA.

	March Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Calendar year.	Four months ended Apr.	Eight months ended Apr.
Number of dwelling houses (not including flat dwellings.)							
1936	1,273	1,251	1,668	1,195	5,387	1,652	3,081
1937	1,152	1,212	1,618	1,592	5,574	1,598	3,388
1938	1,627	1,857	2,120	1,853	7,457	2,159	4,347
1939	1,859	1,785	2,034	1,663	7,341	2,287	4,783
1940	1,740	1,720	2,036	1,665	7,161	2,309	4,589
1941	1,587	-	-	-	-	2,120	4,449

BUILDING PERMITS - Rural and Industrial Towns, N.S.W.

(Note: Building permits do not include Government buildings.)

Private building activity has continued to decrease and public and private building was not as great in March Qr., 1941 as in other recent quarters. Permits in March Qr. were lowest in value of any quarter for six years. The value for houses seems steady at a reduced level, but most other types of building show further decrease. Dwellings proposed in March Qr. (718) were 38% and 29% below the quarterly average number in 1938 and 1939, respectively.

Permits to erect buildings valued at £712,000 were granted in 129 rural and industrial towns (outside the Metropolis) in March Qr., 1941. This was lowest of any quarterly total since March Qr., 1935. Private building in these towns has decreased progressively during the past two and a half years. The value of permits by quarters compares as follow:-

	March Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Total Year ended March.
1938 £000	1,461	1,256	1,378	1,184	5,046
1939 £000	1,166	1,126	1,067	902	4,984
1940 £000	922	1,015	905	903	4,017
1941 £000	712	-	-	-	3,535

PART III (Continued)

Defence preparations caused an increase in Government buildings, but the following comparisons show that latterly this has not fully offset the decrease in private building:-

Permits or Contracts.	1939		1940.				1941.	
	Sept.Qr.	Dec.Qr.	Mar.Qr.	June Qr.	Sept.Qr.	Dec.Qr.	Mar.Qr.	
For Private Bldgs. £000	1,067	902	922	1,015	905	902	712	
" Public " £000	168	161	603	605	1,136	328	405	
Total outside Metrop.£000	1,235	1,063	1,525	1,620	2,041	1,230	1,117	

There was less private building in industrial as well as rural towns than in March Qr., 1940 and only in Wollongong - Port Kembla and Lithgow of the industrial districts was the value of permits greater in March Qr., 1941 than in Dec.Qr., 1940. In geographical distribution particulars compare as under:-

Quarter ended -									
1939				1940				1941	
Mar.	June.	Sept.	Dec.	Mar.	June.	Sept.	Dec.	Mar.	
Value of permits granted - £ thousand.									
Newcastle District	244	222	235	153	206	289	325	251	164
Wollongong-Pt.Kembla	206	84	121	120	110	124	65	59	96
Broken Hill	30	36	36	57	21	48	14	23	13
Six Towns near Sydney	70	87	106	58	65	58	55	100	41
Lithgow	6	1	4	3	3	7	12	11	25
Other Country Towns.	610	696	565	511	517	489	434	450	373

Trends in private building permits for various classes of building are illustrated in the next table. There has been a general decrease since 1938 and in March Qr. 1941 amounts for each type except houses decreased materially in comparison with recent quarters:-

PRIVATE BUILDING PERMITS - RURAL AND INDUSTRIAL TOWNS, N.S.W.

Quarter ended	Houses.	Flats. (a)	Hotels. etc.	Shops. (b)	Factor- ies.(c)	Other Buildings.	Total
Value of building permits - £ thousand.							
March, 1939	678	75	135	103	67	108	1166
March, 1940	568	16	54	89	70	125	922
June, "	582	29	81	69	39	215	1015
Sept., "	516	13	129	60	27	160	905
Dec., "	463	25	131	44	109	130	902
March, 1941	500	22	20	38	38	94	712

Includes (a) Conversions to flats (b) shops with dwellings and (c) public garages.

Building activity in these towns reached a peak in 1938. In March Qr., 1941 the value of private building permits was less than in the corresponding quarter or each of the preceding five years in total and in respect of practically each principal type of building. The percentages given in the final column indicate the movements between March Qrs., 1939 (pre-war) and 1941 as proportionally greatest in respect of hotels guest houses, etc., shops and "other" buildings, though house-building has also decreased considerably.



## PART III (Continued)

## PRIVATE BUILDING PERMITS - RURAL AND INDUSTRIAL TOWNS, N.S.W.

Type of Building	March Quarter.						Decrease Mar.Qr.:1939 to 1941. per cent.
	1936.	1937.	1938.	1939.	1940.	1941.	
	£000	£000	£000	£000	£000	£000	
Dwelling Houses	579	541	726	680	568	500	(-) 26.5
Flats-New and converted	13	27	32	75	16	22	(-) 70.7
Hotels, Guest Houses, etc.	ø	130	203	131	54	20	(-) 84.7
Shops & shops with dwell'gs	172	87	99	104	89	38	(-) 63.5
Factories & Public Garages	23	33	235	69	70	38	(-) 44.9
Other Buildings x	130	192	166	107	125	94	(-) 12.1
	917	1010	1461	1166	922	712	(-) 38.9

ø Included with dwelling houses. x Includes offices, theatres, churches, hospitals, private schools, etc.

**DWELLINGS.** Seven hundred and eighteen dwellings of all kinds were included in permits granted in these towns in March Qr. in 1941 compared with 847 in 1940, 1093 in 1939 and 1172 in 1938. The number of dwellings approximated the average number in recent quarters but was 29 and 38 per cent. below the quarterly average in 1939 and 1938, respectively. Detailed comparisons are appended.

## DWELLINGS INCLUDED IN PRIVATE BUILDING PERMITS - 129 Towns, N.S.W.

Period.	Houses.		Flats.	Convert- ed to Flats.	Hotels, Guest Houses.	With Shops.	Demoli- tions, etc.	Net Additional Dwellings.
	Brick etc.	Wood, Fibro.						
Number of individual dwellings.								
Year, 1935	689	2755	196	42	Ø	84	118	3,648
1936	747	3067	102	51	Ø	104	165	3,906
1937	853	3111	157	78	27	105	150	4,181
1938	798	3648	168	81	25	105	204	4,621
1939	666	3265	154	105	17	75	217	4,065
1940	526	2410	85	104	22	67	138	3,076
Mar.Qr., 1939	147	868	78	25	6	15	46	1,093
" 1940	150	643	10	47	2	35	40	847
Dec.Qr., "	116	511	26	19	9	11	32	660
Mar.Qr., 1941	146	547	25	31	.	7	38	718

**BUILDING PERMITS - NEW SOUTH WALES.** In areas embracing approximately 73 per cent. of the population of New South Wales private building permits granted in March Qr., 1941 (£3.31 m.) were lowest in value of any quarter for several years; continuing an irregular downward trend from the peak in the middle months of 1938:-

## BUILDING PERMITS GRANTED - NEW SOUTH WALES. (As far as recorded).

	March Qr.	June Qr.	Sept.Qr.	Dec.Qr.	Year ended Mar.
1937	3,079	4,363	4,585	4,630	14,361
1938	4,817	5,170	5,739	4,646	18,395
1939	4,254	4,647	4,894	3,786	19,809
1940	3,511	4,299	4,040	4,756ø	16,838
1941	3,312	-	-	-	16,407

ø Increase largely due to introduction of building control.

The decrease in private building activity has been greatest in the City and least in the suburbs of Sydney. In industrial and rural towns permits in March Qr., 1941 were less than 50 per cent. the value in March Qr., 1938. Building is still active in the semi-urban shires near Sydney where little other than residential buildings are being erected. After reviving in the second six months of the war, building

/has.....

## PART III (Continued)

has decreased again (the increase in Dec.Qr., 1940 was attributable to the inauguration of building control) and in March Qr. 1941 was lower in value than in Dec.Qr. 1939 or March Qr. 1940 when initial war reactions were restricting private building enterprise. Comparisons of value with pre-war years and during the war period are as follow:-

PRIVATE BUILDING PERMITS GRANTED - NEW SOUTH WALES.  
As far as recorded. Excludes Government buildings.

Period.	City of Sydney.	Suburbs of Sydney.	Rural & Industrial Towns.	7 Semi-Urban Shires.	Total of Foregoing.	Net Ad'n'l. Dwellings.
Year 1929	3,547	10,798	4,526	851	19,722	14,161
1937	2,544	8,717	4,594	801	16,656	13,785
1938	3,410	10,632	5,279	1,051	20,372	17,748
1939	1,886	10,334	4,261	1,101	17,582	15,289
1940	1,534	10,184	3,744	1,144	16,606	14,071
Mar.Qr., 1939	427	2,429	1,166	232	4,254	3,716
" 1940	225	2,099	922	265	3,511	2,930
June, "	262	2,717	1,015	304	4,299	3,915
Sept., "	424	2,420	905	291	4,040	3,342
Dec. "	623	2,948	902	283	4,756	3,884
Mar.Qr. 1941	156	3,201	712	243	3,312	3,195

The number of net additional dwellings (including flat dwellings) shown in the concluding column of the foregoing table shows that activity in the provision of new housing has decreased. In March Qr., 1941 the number of proposed dwellings was below the quarterly average in any year since 1935. Higher building costs and reduced activity of co-operative building societies because of difficulty in obtaining new finance have affected housebuilding.

The increase in public building due to the war has partly offset the decrease in private building. In March Qr., 1941 public building contracts amounted to £825,000 compared with £676,000 in March Qr., 1940, but public and private building proposals together (£4,137,000) were less than private building permits alone in March Qr., 1938 (£4,817,000). Particulars for recent quarters compare as under:-

VALUE OF PROPOSED BUILDINGS - PUBLIC AND PRIVATE - N.S.W.  
(As far as recorded.)

Quarters ended -	1939 Sept.	Dec.	1940 Mar.	June	Sept.	Dec.	1941 Mar.
Private Bldgs. £000	4895	3786	3510	4298	4040	4756	3312
Public " £000	655	409	676	850	1454	586	825
Total	5550	4195	4186	5148	5494	5342	4137

**RAILWAYS.** The State railways operated more profitably in the nine months ended March, 1941 than in any corresponding earlier period. There has been also significant increases in the haulage of goods and the carriage of passengers. The increase in traffic is due to war activities, the expansion of war industries, carriage of some interstate freight by rail instead of by sea, and the effect on the economy of the record level of employment and industrial activity.

Compared with the first nine months of 1939-40 there were increases in July-March, 1940-41 -

in gross revenue	of	£1,815,000 (11.6%)
" working expenses	of	£ 808,000 (7.6%)
" gross surplus	of	£1,007,000 (19.8%)
" passenger journeys	of	8,600,000 (6.4%) and
" goods ton mileage	of	200,000,000 (13.2%).

Comparisons for March are affected by the changing date of Easter.



## PART III (Continued)

## NEW SOUTH WALES GOVERNMENT RAILWAYS .

	Month of March.			Nine Months ended March.		
	Passenger Journeys.	Goods Ton Mileage.	Working Surplus.∅	Passenger Journeys.	Goods Ton mileage.	Working Surplus.
	Million	Million	£000	Million	Million	£000
1937	15.7	147	551	132.2	1,351	4,570
1938	15.4	179	510	140.4	1,453	4,907
1939	14.7	172	462	141.2	1,369	3,745
1940	15.3	176	516	134.3	1,517	5,097
1941	17.3	174	512	142.8	1,717	6,105

∅ Excess of earnings over working expenses, exclusive of interest, etc. charges, amounting in 1939-40 to £6,561,000.

ROAD TRANSPORT SERVICES. In the nine months ended March, 1941 tramway and omnibus earnings exceeded working expenses by £694,000. This was the largest working surplus for the period in any recent year and £136,000 greater than in July-Mar., 1939-40. The favourable financial result is due to an increase in the number of passengers carried (because of greater employment and travelling by defence personnel) and to economies in working which have partly offset the increase in working expenses due to higher wages and costs of materials.

## GOVERNMENT TRAMWAY AND OMNIBUS SERVICES - SYDNEY AND NEWCASTLE.

	Month of March.				Nine Months ended March.			
	Earnings.	Working Expenses.	Working Surplus.∅	Passengers.	Earnings.	Working Expenses.	Working Surplus.∅	Passengers.
	£000	£000	£000	mill.	£000	£000	£000	mill.
1938	370.6	306.9	63.7	32.1	3206	2609	597	275.7
1939	381.9	310.7	71.2	33.0	3269	2769	500	280.1
1940	404.9	334.9	70.0	34.8	3377	2819	558	285.5
1941	417.2	350.0	67.2	35.1	3557	2863	694	301.8

∅ Excess of earnings over working expenses, exclusive of interest, sinking fund, exchange and depreciation, amounting in 1939-40 to £671,000.